



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

October 9, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Executive Director Whitmore
Arizona State Veterinary Medical Examining Board

We have issued an initial followup report regarding the implementation statuses of the recommendations from the September 2025 *Performance Audit and Sunset Review of the Arizona State Veterinary Medical Examining Board* report (see report 25-111) conducted by the independent firm Sjoberg Evashenk Consulting, Inc. under contract with the Arizona Auditor General. This audit was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee and was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

The September 2025 report made 21 recommendations to the Arizona State Veterinary Medical Examining Board (Board). My Office contracted with Sjoberg Evashenk Consulting, Inc. to conduct initial followup work with the Board and as of this initial followup report, 9 recommendations have been implemented, 6 recommendations are in process, 1 recommendation is in process in a different manner, 1 recommendation is not yet applicable, and 4 recommendations have not been implemented.

My Office has contracted with Sjoberg Evashenk Consulting to follow up with the Board again at 24 months to assess its progress in implementing the 12 outstanding recommendations.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Arizona State Veterinary Medical Examining Board

Initial Followup Report

The September 2025 Arizona State Veterinary Medical Examining Board (Board) performance audit and sunset review found that the Board timely issued initial and renewal licenses we reviewed to qualified applicants in fiscal year 2024, but did not resolve some complaints in a timely manner, putting public safety at risk; did not fully comply with some State conflict-of-interest requirements, increasing the risk that employees and Board members had not disclosed substantial interests; and did not review continuing education for license and certificate renewal applicants. We made 21 recommendations to the Board.

Board's status in implementing 21 recommendations

Implementation status	Number of recommendations
✓ Implemented at 6-9 months	9 recommendations
🔄 Implementation in process	6 recommendations
🔄 Implementation in process in a different manner	1 recommendation
⌚ Not yet applicable	1 recommendation
✗ Not implemented	4 recommendations

We will conduct a 24-month followup with the Board on the status of the recommendations that have not yet been implemented.

Finding 1: Board has not resolved some complaints in a timely manner, which could affect patient safety and cause undue burden for licensees/certificate holders.

1. The Board should investigate and resolve complaints within 180 days.

Implementation in process—According to the Board's complaint log, the Board received 69 complaints between October 1, 2025, and March 31, 2026. Of those 69 complaints 12 were closed within 180 days, 2 were closed in 187 days, and 55 remained open as of April 20, 2026. Of the 55 that remained open, 8 had been open for longer than 180 days. During this period, the Board took longer than 180 days to resolve 14% of complaints; an improvement from the 2025 performance audit and sunset review, which found the Board took longer than 180 days to resolve 31% of complaints during fiscal year 2024. As indicated in the Board's September 2025 performance audit and sunset review, the Board has experienced an increase in its complaint investigations workload and in March 2026, hired an additional investigator to assist with conducting complaint

investigations. The Board reported that the new investigator will support the Board's senior investigator in handling the Board's increased investigative workload. We will further assess the Board's implementation of this recommendation during our 24-month followup.

2. The Board should develop and implement guidance for joint adjudication of related investigations. The guidance should balance timely resolution of complaints with the benefits of joint adjudication by indicating that individual complaints should be adjudicated separately when possible, and requiring documentation of the rationale for conducting joint adjudications.

Implementation in process—In March 2026, the Board adopted guidance for joint investigations that prioritizes expeditious resolution of individual cases while allowing the Board to consider consolidating investigations that are sufficiently similar or linked—such as a single complaint against multiple licensees—where the consolidation is not likely to cause more than 1 month delay to any of the individual investigations and where the joint adjudication is likely to yield a more fair and effective review by the Board. Because there were no joint adjudications that occurred between October 2025 and March 2026, we will further assess the Board's implementation of this recommendation during our 24-month followup.

3. The Board should consider meeting for longer times and/or more frequently than once per month to help ensure timely complaint resolution.

Implementation in process in a different manner—The Executive Director believes that additional meeting time would increase the Board's capacity to hear and resolve complaints, but explained that persistent vacancies and the fact that most Board members are on expired terms have made it challenging to meet quorum requirements for Board meetings. As mentioned in the September 2025 performance audit and sunset review, 2 of 9 board member positions were vacant, and the terms for 6 Board members had expired between January 2022 and January 2025. The Board's Executive Director reported that she has notified the Governor's Office of the vacancies and according to the Executive Director, two new Board members were appointed in February 2026 and started in April and May. However, as of September 2026, an additional Board member position was vacated and the same 6 Board members had expired terms. Although the Board has met with a quorum every month between October 2025 and September 2026, there have been instances during this period where only 5 of 9 Board member positions were present at the meeting, and recusals have resulted in a lack of quorum on certain complaint-related agenda items and the need to continue the item to a future Board meeting. The Executive Director believes that scheduling additional Board meetings to be unlikely until the appointment of new Board members.

As discussed in recommendation #1, to help improve complaint resolution timelines, the Board has hired a second investigator to support the senior investigator in handling the Board's increased investigative workload. We will further assess the Board's implementation of this recommendation during the 24-month followup.

4. The Board should monitor the effects of the Board's decision to combine the 2 investigative committees into a single committee on complaint resolution timeliness, and determine the extent to

which complaints are handled timely and whether additional measures are warranted, such as scheduling more frequent committee meetings.

Implementation in process—The Board has tracked the number of complaints reviewed by its investigative committees between July 2023 and March 2026, and compared it to the number of cases heard by the single investigative committee beginning July 2025. Our review of this documentation shows that in fiscal year 2026, the Board's single investigative committee heard 137 investigative reports, whereas in fiscal years 2024 and 2025 the 2 investigative committees heard 130 and 124 investigative reports, respectively. This suggests the single full-day committee meetings have been more productive than the two committees that each met for half a day once a month. However, as mentioned in recommendation #1, although the Board's timeliness for resolving complaints has improved, it still took longer than 180 days to resolve 14% of complaints it received between October 1, 2025, and March 31, 2026 (see Recommendation #1 for more information). To allow for more time to evaluate the effects of this committee structure, we will further assess the Board's implementation of this recommendation during the 24-month followup.

5. The Board should minimize the effects of delayed complaint resolution resulting from consent agreements by reducing the timeframe requirement within which licensees must agree to and return signed consent agreements and take action if the licensee does not comply with the timeframe requirement.

Implementation in process—The Board established a policy requiring consent agreements to be returned by licensees within 20 days after it is sent by the Board to the licensee for signature, and began implementing this policy in August 2026.¹ For the 69 complaints the Board received from October 1, 2025, through March 31, 2026, the board issued 1 consent agreement, which the licensee signed and returned within the required 20-day timeframe. Since the Board has issued only 1 consent agreement under its new policy, we will further assess its sustained implementation of the policy during our 24-month followup.

Finding 2: Board did not comply with some State conflict-of-interest requirements, increasing risk that employees and Board members had not disclosed substantial interests that might influence or could affect their official conduct.

The Board should continue to develop and implement conflict-of-interest policies to help ensure compliance with State conflict-of-interest requirements and adhere to best practices, including:

6. Using a conflict-of-interest disclosure form that addresses substantial interests for Board members, committee members, and employees and relatives.

Implemented at 6 months—The Board began using a conflict-of-interest disclosure form that addresses the disclosure of substantial interests for Board members, committee members, and employees and relatives when this issue was raised to the Board's attention during our September

¹ In monitoring compliance with this 20-day timeframe, the Executive Director explained that she will allow 5 days after the date the consent agreement is placed in the mail to allow for delivery.

2025 performance audit and sunset review (between March and April 2025). Our April 2026 review of all completed conflict-of-interest forms, substantial interest disclosures, and all disclosed conflicts of interest during Board meetings, including a signed form describing the disclosure and meeting recordings demonstrating recusals, revealed that all Board members, committee members, and employees completed the annual disclosures between January and March 2026.

7. Storing all substantial interest disclosures, including disclosure forms and meeting minutes, in a special file available for public inspection.

Implemented at 6 months—Pursuant to Board policy, the Executive Director continues to maintain all annual disclosure forms, substantial interest disclosures, and meeting minutes reflecting board member and committee member recusals. Our April 2026 review found the special file included all substantial interest disclosures for current board and committee members and staff, and substantial interest disclosures for board meetings through March 2026.

8. Adopting a secondary review process to ensure disclosure forms submitted by Board members, committee members, and employees are complete.

Implemented at 6 months—Board policy requires the Executive Director or their designee to review and sign off on all completed conflict of interest disclosure forms submitted by Board members, Investigative Committee members, and Board staff. If any deficiencies are identified, the reviewer is required to return the form to the filer for completion. Our review of the special file, as discussed in recommendations #6 and #7, found that the Executive Director reviews all disclosure forms and demonstrates this review by signing and dating the disclosure form.

9. Requiring Board members to publicly state their reason for recusal during meetings.

Implemented at 6 months—Board policy, consistent with statute, requires Board members who recuse themselves because of a conflict-of-interest to state the reason for the conflict in official Board records. The Executive Director reported that both board members and investigative committee members are now required to state their reason for recusal at the beginning of an agenda item. Board training materials further instruct Board members to state on the record the reason for the conflict so that the reason becomes part of the meeting recording. We reviewed recordings for Board meetings in October 2025, January 2026, and March 2026, and found that members stated the reasons for their recusals on the record in all three meetings.

10. Providing periodic training to employees, at least annually, on the Board's conflict-of-interest requirements, process, and disclosure form, including how the State's conflict-of-interest requirements relate to their unique programs, functions, or responsibilities.

Implementation in process—The Executive Director reported asking the Assistant Attorney General to conduct a training session on conflict-of-interest for Board employees, which the Assistant Attorney General provided on February 18, 2026. This training covered statutory requirements and relevant case law, disclosure requirements, specific board member responsibilities, processes related to recusals, the Board's specific conflict-of-interest policy and disclosure and recusal forms. To allow for more time to evaluate the consistency of this periodic

training, we will further assess the Board's implementation of this recommendation during the 24-month followup.

Sunset Factor 2: We identified 5 areas where the Board could better meet its statutory objective and purpose and/or improve its efficiency.

11. The Board should develop and implement a mechanism for tracking and monitoring license and certificate issuance to help ensure licenses and certificates continue to be issued in a timely manner.

Implementation in process—The Board implemented a new licensing system in May 2025 and the Executive Director reported working with the system's developer on license/certificate application tracking reports, but that as of August 2026, standardized reports with key fields necessary to track dates and milestones required to monitor compliance remain unresolved. The Executive Director reported that between Spring 2025 and Summer 2026, Board staff remained focused on learning the functionality of the new licensing system. However, the Board allowed its contract with the new licensing system vendor to expire effective August 1, 2026, because the vendor increased the cost of the system and system functionality did not meet its needs. Beginning August 2026, the Board has engaged a consultant to implement an interim solution. The timeline of a permanent solution remains unknown as of September 2026. Absent an automated tracking tool, the Executive Director reported that staff continue to use the Board's checklist and review process described in the September 2025 sunset review. We will further assess the Board's implementation of this recommendation during the 24-month followup.

12. The Board should establish and implement procedures for verifying that renewal applicants have met continuing education requirements, such as by developing and implementing a random audit process to verify compliance.

Not yet applicable—The Board's most recent license renewal period was in December 2024, and its next license renewal period is December 2026. The Board reported it has not audited licensee compliance with continuing education requirements by verifying 2024 renewal application submittals because neither statute nor rule requires licensees to retain evidence of continuing education after the renewal period. Because of this, potential noncompliance cannot be verified, and the Board cannot order disciplinary or nondisciplinary action for potentially noncompliant licensees. Instead, the Executive Director reported that the Board will verify compliance with continuing education requirements for all licensees during the December 2026 renewal period. We will further assess the Board's implementation of this recommendation during the 24-month followup, which will evaluate the December 2026 renewal period.

13. The Board should complete required inspections and issue veterinary premises and animal crematory licenses within the 90-day time frame.

Implemented at 6 months—Board records show that it received 82 veterinary premises and animal crematory license applications between October 1, 2025, and March 11, 2026, and that all

82 premises inspections were completed within 90 days, as required, and premises licenses were issued to all 82 applicants.

14. The Board should revise its rules to better reflect its processes and timelines for licensing veterinary premises and animal crematory premises, such as allowing for licensing time frames to be suspended for scheduling inspections.

Not Implemented—The Executive Director reported that the Board will begin the rulemaking process in September 2026 and expects the rulemaking process to be complete by April 2027. We will further assess the Board's implementation of this recommendation during the 24-month followup.

15. The Board should review and approve each premises license application individually when an applicant submits multiple applications.

Implemented at 6 months—Premises license application records show that, of the 82 applications submitted between October 1, 2025, and March 11, 2026, 2 applicants submitted multiple applications for distinct veterinary premises. In one case, an applicant applied for 2 premises permits for new mobile units; and, in another case, an applicant applied for 3 premises permits. In both instances, records show individual review of each application and timely issuance of each individual license.

16. The Board should develop and implement policies and procedures for periodically reviewing the appropriateness of its fees that direct it to analyze the costs of its regulatory processes, compare these costs to the associated fees, determine the appropriate licensing fee amounts, and then revise its fees as needed.

Not Implemented—The Executive Director reported reaching out to the Arizona Department of Administration for assistance, but has also determined that the Board needs to hire an outside consultant to perform this analysis because it lacks the expertise to do so. The Executive Director plans to reach out to the Governor's Office of Strategic Planning and Budgeting, and to develop a budget proposal in fiscal year 2027 with the hope that it will receive funding resources for this analysis at the beginning of fiscal year 2028. The intent for this analysis would be to have the outside consultant conduct an independent cost and fee analysis as well as develop a tool to allow the Board to update the analysis periodically going forward. We will further assess the Board's implementation of this recommendation during the 24-month followup.

Sunset Factor 4: We identified 1 area where the Board could better align rules with statute.

17. The Board should revise the inconsistent rules identified from its 5-year rule review.

Not Implemented—The September 2025 performance audit and sunset review identified instances in which the agency proposed rulemakings in its 2019 5-year review report to the Governor's Regulatory Review Council, such as updating rules to address the ability of the Board to issue temporary licenses, but had not initiated a rulemaking. According to the Executive Director,

it has not initiated a rulemaking because it lacks resources and has an unusually high workload, such as addressing several pieces of legislation between January and May 2026; the continued implementation of a new licensing system; a few highly complex investigations requiring the Executive Director's time; extended leave of key staff; and the attrition, recruitment, filling, and training of key positions. As discussed in recommendation #14, the Executive Director expects to begin the rulemaking process in October 2026 and expects to complete the rulemaking process by October 2027. We will further assess the Board's implementation of this recommendation during the 24-month followup.

18. The Board should revise A.A.C. R3-11-401 to align with the statutory requirement in A.R.S. §32-3248 by amending the rule to require the 3 hours of continuing education related to opioid use, substance use disorders, or addiction for applicable licensees.

Not Implemented—See explanation for recommendation #17.

Sunset Factor 5: We identified 1 area where the Board could improve public access to information.

19. The Board should remove references to disciplinary and nondisciplinary actions from its website's directory that are more than 5 years old.

Implemented at 6 months—In May 2025, the Board implemented a new licensing system that was designed to automate public access to licensee information on the Board's website, such as past disciplinary action, and to limit such access to disciplinary actions taken within the past 5 years. Specifically, the licensing system is programmed to automatically remove public access to Board actions that are more than 5 years old. We obtained a list of board actions from 5 years ago, identified 10 disciplinary and non-disciplinary actions taken by the Board just over 5 years ago (between November 2020 and April 2021), and reviewed the licensee database and other complaint-related information on the Board's website, and found that the Board had appropriately removed the board actions that were more than 5 years old.

20. The Board should develop and implement a process to monitor and verify that disciplinary actions are posted accurately and added and removed timely on its website.

Implemented at 6 months—As discussed in recommendation #19, the Board's new licensing system contains information relating to complaints and disciplinary/nondisciplinary actions taken by the Board and automates public access to licensee information on the Board's website. After each meeting, the Executive Director executes the orders of the Board, preparing consent agreements and notifying licensees and complainants of outcomes. As part of this process, the Executive Director updates licensees' records in the Board's information system, to which the public has access and the ability to view the license status and disciplinary action of licensees. We reviewed 4 disciplinary orders issued by the Board between May and July 2026 and found that the Executive Director accurately posted them to the licensee web portal available on the Board's website. The Executive Director also monitors posted disciplinary actions by maintaining a spreadsheet listing all Board actions and the dates by which those actions should be removed from the website. The

Executive Director compares this spreadsheet to the website monthly to ensure the licensing system accurately posted and/or successfully removed access to Board actions.

Sunset Factor 6: We identified 1 area where the Board could improve timely resolution of complaints.

21. The Board should establish and implement a process for timely notifying licensees or certificate holders of informal interviews before the Board to review their matter.

Implemented at 9 months—The Board developed an informal interview checklist that specifies that notices must be mailed via certified mail to licensees at least 20 days prior to the date of the informal interview. The Board tracks the scheduling of informal interviews in a tracking spreadsheet, and maintains a log of all informal interviews identifying the date of the Board meeting in which the informal interview is scheduled and the date the informal interview notice was mailed. Our review of Board meeting agendas and the tracking log revealed that the Board scheduled 13 informal interviews between July and October 2026, and that notices were mailed between 21 and 32 days in advance of the meeting in all 13 cases.